

UNITED STATES DEPARTMENT OF COMMERCE NEWS

WASHINGTON, DC 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

U.S. CENSUS BUREAU

Contacts: Nancy Piesto *Survey Processing* (301) 457-2706 (Census)
Carol King *Survey Methodology* (301) 457-2675 (Census)
Electronic inquiries: retail.trade@census.gov

For Release 10:00 A.M. EST
Monday, November 27, 2000
CB00-199

RETAIL E-COMMERCE SALES IN THIRD QUARTER 2000 INCREASED 15.3 PERCENT FROM SECOND QUARTER 2000, CENSUS BUREAU REPORTS

The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for third quarter 2000, not adjusted for seasonal, holiday, and trading-day differences, was \$6.373 billion, an increase of 15.3 percent ($\pm 2.4\%$) from the revised second quarter 2000 level. The second quarter estimate was revised from \$5.518 billion to \$5.526 billion.

Total retail sales for third quarter 2000 were estimated at \$812.0 billion, a decrease of 0.4 percent ($\pm 0.3\%$) from second quarter 2000.

E-commerce sales in the third quarter accounted for 0.78 percent of total sales. E-commerce sales in the second quarter were 0.68 percent of total sales.

Estimated Quarterly U.S. Retail Sales: Total and E-commerce
(Data in millions of dollars. Not adjusted for seasonal, holiday and trading-day differences.)

Period	Retail Sales		E-commerce as a Percent of Total Sales	Quarter-to-Quarter Percent Change	
	Total	E-commerce		Total Sales	E-commerce Sales
4 th Quarter 1999	821,351	5,198	0.63	8.5	(NA)
1 st Quarter 2000	747,934	5,240	0.70	-8.9	0.8
2 nd Quarter 2000 ^r	815,677	5,526	0.68	9.1	5.5
3 rd Quarter 2000 ^p	812,008	6,373	0.78	-0.4	15.3

NA Not available. ^r Revised. ^p Preliminary.

E-commerce sales are sales of goods and services over the Internet, an extranet, Electronic Data Interchange (EDI), or other online system. Payment may or may not be made online.

Retail e-commerce sales are estimated from the same sample used to estimate U.S. retail sales in the Monthly Retail Trade Survey (MRTS). A stratified simple random sampling method is used to select over 12,000 retail firms whose sales are then weighted and benchmarked to represent the complete universe of over two million retail firms. Online travel services, financial brokers and dealers, and ticket sales agencies are not classified as retail and are not included in either the total retail or retail e-commerce sales estimates. E-commerce sales are included in the total monthly sales estimates.

The retail e-commerce sales estimate for the fourth quarter is scheduled for release in February 2001.

E-commerce retail sales data and frequently asked questions (FAQ's) about e-commerce sales are available on the Census website at <http://www.census.gov/mrts/www/mrts.html>. For additional information about Census Bureau e-business measurement programs and plans visit <http://www.census.gov/econ/www/ebusiness614.htm>.

Explanatory Notes

Retail e-commerce sales are estimated from the same sample used in the Monthly Retail Trade Survey (MRTS) to estimate preliminary and final U.S. retail sales. Advance U.S. retail sales are estimated from a subsample of the MRTS sample and is not of adequate size to measure changes in retail e-commerce sales. The MRTS sample is probability based and represents all employer firms engaged in retail activities as defined by the current Standard Industrial Classification (SIC) Manual. Coverage includes all retailers whether or not they are engaged in e-commerce. Nonemployers are represented in the estimates through the benchmarking operation. The e-commerce sales estimate does not include online revenues generated from firms primarily engaged in activities not classified as retail in the SIC manual, such as travel services, financial brokerages, and ticket sales agencies.

The MRTS sample is updated on an ongoing basis to account for new retail employer businesses (including those selling via the Internet), business deaths, and other changes to the retail business universe. Research was conducted to ensure that retail firms selected in the MRTS sample and engaged in e-commerce are representative of the universe of e-commerce retailers.

Firms are asked each month to report e-commerce sales separately. For each month of the quarter, data for nonresponding sampling units are imputed from responding sampling units falling within the same kind of business and sales size category. Approximately 16 percent of the e-commerce sales estimate for third quarter 2000 was imputed. Imputed total retail sales data accounted for approximately 27 percent of the estimate of U.S. retail sales for the third quarter.

For each month of the quarter, estimates are obtained by summing weighted sales (either reported or imputed). The monthly estimates are benchmarked to prior annual survey estimates. Estimates for the quarter are obtained by summing the monthly benchmarked estimates. For third quarter 2000, the estimate for the month of September is a preliminary estimate. Therefore, the estimate is subject to revision.

Second quarter 2000 estimates of total retail sales and e-commerce sales were revised to reflect additional response data.

The margin of error for the change in U.S. retail e-commerce sales from the second quarter to the third quarter is approximately 2.4%, giving a range of 12.9% to 17.7%. Range estimates are computed based on the particular sample selected and canvassed. If we had repeated the process of drawing all possible samples and forming all corresponding range estimates, approximately 90 percent of these individual range estimates would have contained the true quarter-to-quarter change in e-commerce sales. Because the range above does not contain 0%, we can conclude with at least 90 percent confidence that retail e-commerce sales increased from the second quarter to the third quarter.

Range Estimates for Estimated Dollar Volumes
(Data in millions of dollars)

Period	Retail Sales		Retail E-commerce Sales	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound
4th Quarter 1999	815,093	827,609	4,939	5,456
1st Quarter 2000	741,414	754,455	4,893	5,586
2nd Quarter 2000 ^r	808,818	822,536	5,203	5,849
3rd Quarter 2000 ^p	804,553	819,463	6,009	6,737

^r Revised. ^p Preliminary.

Estimates in this report are based on a sample, and therefore, are subject to sampling and nonsampling error. A general discussion of the estimates and survey methodology appears in BR/99-A Current Business Reports and on the Internet at: <http://www.census.gov/mrts/www/mrts.html>.

The U.S. Census Bureau, pre-eminent collector and disseminator of timely, relevant, and quality data about the people and the economy of the United States, conducts a population and housing census every 10 years, an economic census every five years, and more than 100 demographic and economic surveys every year, all of them evolving from the first census in 1790.